



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.ut.blm.gov

Mary Ann
Shayne
M/047/007

IN REPLY REFER TO:
3500
UTU-0149937 et al
(UT-924)

AUG 26 2003

FEDERAL EXPRESS

NOTICE

United States Steel Corporation	:	Phosphate Leases—UTU-0149937,
600 Grant Street, Room 2656	:	UTU-0149938, UTU-0149939
Pittsburgh, PA 15219-2800	:	

Notice of Readjusted Leases

As provided in Section 3(f) of your leases dated September 1, 1983, Federal phosphate leases UTU-0149937, UTU-0149938, and UTU-0149939, and the regulations at 43 CFR 3511.25, enclosed are the terms and conditions of your readjusted leases. The readjusted leases will become effective September 1, 2003, unless objections are received. The next 20-year readjustment will be September 1, 2023.

Currently, phosphate lease, UTU-0149937, is covered by a \$6,000 bond. Phosphate lease, UTU-0149938, is covered by a \$6,000 bond. Phosphate lease, UTU-0149939, is covered by a \$5,000 bond. It is hereby required that each bond be increased to \$8,000 based upon the annual rental and minimum royalty due prior to September 1st of each year, beginning in 2003. In lieu of the individual lease bonds, a statewide bond, in the amount of the regulatory minimum of \$25,000, may be submitted. The additional bonding must be received within 60 days of receipt of this letter, or the leases will be subject to cancellation in accordance with 43 CFR § 3514.30.

Under the readjusted terms of the leases, the annual rental and minimum royalty payments are due in advance before September 1st of each year. Effective September 1, 2003, the rental is set at the rate of \$1.00 per acre or fraction thereof per year and the annual minimum royalty in lieu of production is set at the rate of \$3.00 per acre or a fraction thereof per year. As provided at 43 CFR 3504.25, the rental paid for any lease year shall be credited against the minimum royalty and production royalties for that year only. Therefore, the annual rental/minimum royalty payments due for the above listed leases are as follows:

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DIV. OF OIL, GAS & MINING

<u>Lease</u>	<u>Rental</u>	<u>Minimum Royalty</u>	<u>Total</u>
UTU-0149937	\$2,557	\$5,114	\$7,671
UTU-0149938	\$2,540	\$5,080	\$7,620
UTU-0149939	\$2,377	\$4,754	\$7,131
Total:	\$7,474	\$14,948	\$22,422

Individual lease bonds are rounded up to the next \$1,000. The minimum amount of a statewide bond is \$25,000.

Production royalties on the leases will be 5 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

In accordance with 43 CFR 3511.26(a), you have 60 days after receiving the proposed readjusted terms to object. If we do not receive your objection within 60 days, the proposed readjusted terms will be in effect. If you file an objection, BLM will issue a decision in response. If you disagree with the decision, you may appeal to the Interior Board of Land Appeals.

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosures

3 Readjusted Leases (11pp ea.)

cc: Vernal Field Office, Attn: Howard Cleavinger, 170 So. 500 E., Vernal, UT 84078 (w/encl)
Mr. Lowell Braxton, UDOGM, Box 145801, Salt Lake City, UT 84114-5801 (w/encl)
SITLA, Attn: John Blake, 675 East 500 South, Suite 500, Salt Lake City, UT 84102 (w/encl)
Resource Development Coordinating Committee (w/encl)
MMS, Solid Minerals Staff (w/encl)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

READJUSTED PHOSPHATE LEASE

Serial Number

UTU-0149937

PART I. LEASE RIGHTS GRANTED.

This ☒ Lease ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

United States Steel Corporation
600 Grant Street, Room 2656
Pittsburgh, PA 15219-2800

hereinafter called lessee, is effective (date) September 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each 20 year period, unless otherwise provided by law.

Sec. 1. This lease is ~~made~~ readjusted pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) formal now or hereafter, when ; and to the regulations and ~~general mining~~ orders of the Secretary of the Interior in force ~~on the date of the lease~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the phosphate deposits and associated minerals

hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 2 S., R. 22 E., SLM, UT
Sec. 25, lots 1-12, NWNE, SWSW;
Sec. 26, all;
Sec. 27, lot 1, S2NE, E2SE;
Sec. 35, N2N2;
Sec. 36, lots 1-3, NWNW;
HES 41 (lying within Sec. 25)
HES 43 (lying within Secs. 25 and 36).

T. 2 S., R. 23 E., SLM, UT
Sec. 19, SESE;
Sec. 29, W2SW;
Sec. 30, all;
Sec. 31, lot 1, N2NE.

Uintah County, Utah

containing 2,556.91 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☒ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

**ROYALTY TERMS AND CONDITIONS
PHOSPHATE LEASES**

PRODUCTION ROYALTY: The royalty on production will be 5 percent of the quantity or gross value of the output of phosphate compounds and related products at the point of shipment to market.

PHOSPHATE LEASE

Sec. 2(b) Minimum Royalty: Annual minimum royalty of \$3 per acre or fraction of an acre is due in advance before January 1 of each year. Minerals Management Service will credit any lease rental payment against the minimum royalty payment amount due. Minerals Management Service will then credit your minimum royalty as specified to your production royalties for that year only. For example, if you pay \$1,000 in rental and you owe \$3,000 in minimum royalties, you will pay a total of \$3,000 for both. If during the lease year you accrue \$10,000 in production royalties, Minerals Management Service will credit \$3,000 against that amount, [43 CFR § 3504.25 (a)(b)].

**SPECIAL STIPULATIONS
READJUSTED PHOSPHATE LEASE
U-0149937**

1. "Authorized Officer" (AO) shall mean the State Director, Bureau of Land Management or his authorized representative.

These stipulations shall also be imposed upon the lessee's agents, employees, contractors, and subcontractors and their employees. The failure or refusal of such persons to comply with these stipulations shall be deemed to be the failure or refusal of the lessee. The lessee shall require his agents, contractors, and subcontractors to include these stipulations in all contracts and subcontracts which are entered into by any of them, together with a provision that the other contracting party and his agents, employees, contractors, and subcontractors, and the employees of each of them, shall likewise be bound to comply with these stipulations.

These stipulations are based on the law existing as of the date of execution. They may be revised or amended, in writing, by the mutual consent of the AO and the lessee at any time to correct a mistake of either party. The lessor may amend these stipulations upon notifying the lessee in order to make these stipulations consistent with any new Federal or State statutes and with regulations issued under those statutes.

2. The lessee will be responsible to comply with all applicable Federal, State, and local laws and regulations.
3. This lease is subject to the provisions of the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), and the Clean Air Act (42 U.S.C. § 7401 et seq.). All lease operations shall be conducted so as to comply with these acts and any State of Utah water pollution control and air quality requirements.
4. Prior to commencement of any lease operations, the lessee will file with the authorized officer a detailed mining and exploration plan that includes a schedule for the exploration, development, production, and reclamation operations to be conducted on the lease(s). The plan is to include the specific procedures and methods to be employed for minimizing air and water pollution and erosion. The plan must also provide for the protection of other resources during operations, the logical and economic development of the mineral reserve as dictated by prudent mining practices and timely reclamation of disturbed lands caused by any operations conducted under the plan. Lease operations may not commence without an approved mining and exploration plan. Approval of the plan is the responsibility of the authorized officer.

Any proposed additions or modifications to an approved plan submitted by the lessee will be subject to additional stipulations, conditions of approval, modifications or rejection as deemed necessary by the AO to protect the resources and environment.

5. Before undertaking any activities that may disturb the surface of the lease lands, the lessee will be required to conduct a cultural and/or paleontological resource field inventory in a manner specified by the AO on portions of the mine plan area and adjacent areas, or exploration plan area, that may be adversely affected by lease related activities and which were not previously inventoried at such a level of intensity. The inventory shall be conducted by a qualified professional cultural resource specialist and/or paleontologist, as appropriate, approved by the AO. A report of the inventory and recommendations for protecting any cultural and paleontological resources identified shall be submitted to the AO. The lessee shall undertake measures, in accordance with instructions from the AO to protect these resources on the leased lands. The lessee shall not commence the surface disturbing activities until permission to proceed is given by the AO.

The lessee shall protect all cultural and paleontological resource properties within the lease area from lease related activities until mitigation measures can be implemented as part of an approved mining and reclamation plan or exploration plan.

The cost of conducting the inventories, preparing reports, and carrying out mitigation measures shall be borne by the lessee.

If cultural or paleontological resources are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the AO. The lessee shall not disturb such resources except as may be subsequently authorized by the AO. Within two working days of notification, the AO will evaluate or have evaluated any cultural and/or paleontological resources discovered and will determine if any action may be required to protect or preserve such discoveries.

All cultural resources and fossils of significant scientific interest shall remain under the jurisdiction of the United States until ownership is determined under the applicable law.

Prior to any approval for surface occupancy or disturbance by the lessee, archaeological site 42 UN 143 shall be intensively tested by a qualified archaeologist.

The Little Brush Creek Petroglyph site, which has been entered on the National Register of Historic Places, shall be protected by the Lessee from vandalism and damage from actions on the lease.

6. The lessee shall, prior to entry upon the lease, conduct an intensive field inventory for threatened/endangered & sensitive plant and/or animal species, bald or golden eagles, or migratory species of high Federal interest on those areas to be disturbed and/or impacted including the access routes to the lease area. The inventory shall be conducted by a qualified specialist(s) approved by the AO and a report of the inventory and recommendation for the protection of these species submitted to and approved by the AO. An acceptable report of any findings shall include the specific location, distribution, and habitat requirements of the species. The lessee shall protect these species within the lease area from any activities associated with operations conducted under the terms of the lease and shall undertake such protective measures as may be required by the AO.
7. The lessee shall monitor the chemical and biological quality of Little Brush Creek above and below the project area in order to detect significant changes in surface water quality caused by project activities.
8. The lessee shall maintain a buffer strip at least 200 feet wide on each side of a stream in their natural and undisturbed state unless otherwise authorized by the AO.
9. Tailings ponds and waste dumps shall be planned, located, designed, and constructed using the best engineering technology and methods available which will assure, to the maximum extent possible, the stability of the structure while incorporating environmental soundness and acceptability into the facilities so that ground and surface waters are not contaminated. Waste dumps and tailings ponds shall not be placed over known areas of ground water recharge or along stream channels whenever alternative sites are available.
10. The lessee shall provide specific measures in his mining plan for control of subsidence in areas where surface subsidence would (1) cause the creation of hazardous conditions, such as, potential escarpment failure and landslides, (2) cause damage to surface structures and improvements, or (3) damage or alter the flow of perennial streams. The AO shall approve such measures and may prescribe any additional measures to be employed such as mining methods, specify the amount of phosphate recovered, and determine any corrective measures considered necessary to assure that hazardous conditions are not created or damages do not occur.
11. Alteration or removal of the vegetative cover, specifically trees or shrubs, is to be accomplished to achieve the effect of natural occurring vegetative openings. Construction practices requiring the alteration or modification of the existing topography will be accomplished in such a manner that the modified landscape will be compatible with and graded into the adjoining land form as much as possible.

Permanent and semi-permanent surface structures shall be painted a color that blends or conforms to the natural background color of the surrounding area.

12. All support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after termination of use of such facilities unless an alternate schedule has been approved by the AO.
13. The lessee shall suppress and control fugitive dust on all haul roads, ore handling, transportation, storage facilities, and other operations conducted under the lease.
14. All hazardous areas, including but not limited to, mining areas, those areas used for materials processing and loading and movement of heavy trucks and equipment, and areas used for the containment of ore and waste materials, shall be adequately fenced, posted, or other protective measures installed to minimize hazards and prevent access to the general public, livestock, and wildlife.
15. All solid waste will be removed to an authorized dump site as specified in the approved plan. Sanitary facilities for all solid and liquid waste disposal will meet all State, Federal, and local codes and regulations. All access routes and areas of use will be kept clean of all solid waste. The lease surface shall be maintained at all times, consistent with the operation of the lease.
16. Existing surface improvements required for the surface uses of the lease area will need to be protected or maintained to provide for the post-mining continuance of the current land uses. Existing surface improvements located on Federal lands whose utility may be lost or damaged as a result of mining activities are to be replaced, restored, or compensated for at the discretion of the AO.
17. Topsoil, when present, shall be stripped in its entirety from the surface of those lands to be covered by dumps, tailings, surface facilities, and other areas of surface disturbance and stockpiled. Stockpiled topsoil shall be used as surfacing material prior to re-vegetation.
18. The lessee shall upon cessation of use of all or any part of the lease area and in accordance with an approved plan, stabilize and rehabilitate affected lands using the latest mined land reclamation methods and technology to a usable and productive condition consistent with pre-existing land uses in the area and compatible with existing, adjacent undisturbed areas. Exceptions to this requirement may be granted for specific sites where the AO determines that reclamation is not feasible or

practicable considering current reclamation technology at the time when use is terminated.

19. No surface use would be allowed within crucial deer and elk winter range during the December 1 to April 30 period. This would not apply to operation and maintenance of production facilities or if animals are not present.
20. No construction or surface disturbing activities would be allowed within .5 mile of an active golden eagle nest site during the February 1 to July 15 period.
21. No surface disturbing activities would be allowed within 1,000 feet of sage grouse strutting grounds. No surface activities are allowed within a 2-mile radius of strutting grounds during the March 1 to June 30 period.
22. No construction or surface disturbing activities would be allowed within 1 mile of an active peregrine falcon nest site during the February 1 to August 31 period.
23. The AO may conduct Native American Consultation based upon the significance of any discovery of cultural resources within the lease area. Additional operational conditions or stipulations may result.
24. The development of the lease may create a high level of change to the characteristic landscape (changes may dominate the view and be the major focus of viewer attention; however, every attempt should be made to minimize the impact of activities through careful location, minimal disturbance and, repeating the basic elements of form, line, color and texture found in the predominant natural features of the characteristic landscape).
25. The lessee shall reseed disturbed areas with a mixture of native plants, subject to approval by the AO.
26. WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, sealing-off a mined area and prior to lease relinquishment, certification to the Lessor that, based upon a complete search of all the records for the lease and its associated mine operation(s), and upon Lessee's and the operator's knowledge of past mining operations associated with the lease, there have been no reportable quantities of hazardous substances per 40 CFR 302.4 or used oil [as per Utah State Administrative Code R-315-15], discharged, deposited, or released

within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or delivered to, the lease. Such disclosures will be in addition to any other disclosure required by law or agreement.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-0149938

READJUSTED PHOSPHATE LEASE

PART I. LEASE RIGHTS GRANTED.

Readjustment

This ☒ Lease ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

United States Steel Corporation
600 Grant Street, Room 2656
Pittsburgh, PA 15219-2800

hereinafter called lessee, is effective (date) September 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each 20 year period, unless otherwise provided by law.

readjusted

Sec. 1. This lease is ~~made~~ pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) formal now or hereafter, when ; and to the regulations and ~~XXXXXX~~ orders of the Secretary of the Interior in force ~~XXXXXX~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the phosphate deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 2 S., R. 23 E., SLM, UT
Sec. 10, lot 4, SWSE;
Sec. 15, lots 1, 3, 4, S2NW, SW, W2SE;
Sec. 20, S2SW, SE;
Sec. 21, S2;
Sec. 22, all;
Sec. 28, N2, NWSW;
Sec. 29, N2, E2SW, N2SE.

Uintah County, Utah

containing 2,539.25 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☒ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☒ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☐ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -

☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

See Attached

(b) MINIMUM ROYALTY - (1) Lessee shall produce on each leased acre a minimum royalty of \$1.00 per acre per year. If production is interrupted by strikes, the elements of cost, or other causes not attributable to the lessee, the lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to expiration of the lease year, the authorized officer may allow in writing the payment of a \$1.00 per acre per fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$ 8,000, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 125) et seq. the Clean Air Act (42 U.S.C. 740) et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

**ROYALTY TERMS AND CONDITIONS
PHOSPHATE LEASES**

PRODUCTION ROYALTY: The royalty on production will be 5 percent of the quantity or gross value of the output of phosphate compounds and related products at the point of shipment to market.

PHOSPHATE LEASE

Sec. 2(b) Minimum Royalty: Annual minimum royalty of \$3 per acre or fraction of an acre is due in advance before January 1 of each year. Minerals Management Service will credit any lease rental payment against the minimum royalty payment amount due. Minerals Management Service will then credit your minimum royalty as specified to your production royalties for that year only. For example, if you pay \$1,000 in rental and you owe \$3,000 in minimum royalties, you will pay a total of \$3,000 for both. If during the lease year you accrue \$10,000 in production royalties, Minerals Management Service will credit \$3,000 against that amount, [43 CFR § 3504.25 (a)(b)].

**SPECIAL STIPULATIONS
READJUSTED PHOSPHATE LEASE
U-0149938**

1. "Authorized Officer" (AO) shall mean the State Director, Bureau of Land Management or his authorized representative.

These stipulations shall also be imposed upon the lessee's agents, employees, contractors, and subcontractors and their employees. The failure or refusal of such persons to comply with these stipulations shall be deemed to be the failure or refusal of the lessee. The lessee shall require his agents, contractors, and subcontractors to include these stipulations in all contracts and subcontracts which are entered into by any of them, together with a provision that the other contracting party and his agents, employees, contractors, and subcontractors, and the employees of each of them, shall likewise be bound to comply with these stipulations.

These stipulations are based on the law existing as of the date of execution. They may be revised or amended, in writing, by the mutual consent of the AO and the lessee at any time to correct a mistake of either party. The lessor may amend these stipulations upon notifying the lessee in order to make these stipulations consistent with any new Federal or State statutes and with regulations issued under those statutes.

2. The lessee will be responsible to comply with all applicable Federal, State, and local laws and regulations.
3. This lease is subject to the provisions of the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), and the Clean Air Act (42 U.S.C. § 7401 et seq.). All lease operations shall be conducted so as to comply with these acts and any State of Utah water pollution control and air quality requirements.
4. Prior to commencement of any lease operations, the lessee will file with the authorized officer a detailed mining and exploration plan that includes a schedule for the exploration, development, production, and reclamation operations to be conducted on the lease(s). The plan is to include the specific procedures and methods to be employed for minimizing air and water pollution and erosion. The plan must also provide for the protection of other resources during operations, the logical and economic development of the mineral reserve as dictated by prudent mining practices and timely reclamation of disturbed lands caused by any operations conducted under the plan. Lease operations may not commence without an approved mining and exploration plan. Approval of the plan is the responsibility of the authorized officer.

Any proposed additions or modifications to an approved plan submitted by the lessee will be subject to additional stipulations, conditions of approval, modifications or rejection as deemed necessary by the AO to protect the resources and environment.

5. Before undertaking any activities that may disturb the surface of the lease lands, the lessee will be required to conduct a cultural and/or paleontological resource field inventory in a manner specified by the AO on portions of the mine plan area and adjacent areas, or exploration plan area, that may be adversely affected by lease related activities and which were not previously inventoried at such a level of intensity. The inventory shall be conducted by a qualified professional cultural resource specialist and/or paleontologist, as appropriate, approved by the AO. A report of the inventory and recommendations for protecting any cultural and paleontological resources identified shall be submitted to the AO. The lessee shall undertake measures, in accordance with instructions from the AO to protect these resources on the leased lands. The lessee shall not commence the surface disturbing activities until permission to proceed is given by the AO.

The lessee shall protect all cultural and paleontological resource properties within the lease area from lease related activities until mitigation measures can be implemented as part of an approved mining and reclamation plan or exploration plan.

The cost of conducting the inventories, preparing reports, and carrying out mitigation measures shall be borne by the lessee.

If cultural or paleontological resources are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the AO. The lessee shall not disturb such resources except as may be subsequently authorized by the AO. Within two working days of notification, the AO will evaluate or have evaluated any cultural and/or paleontological resources discovered and will determine if any action may be required to protect or preserve such discoveries.

All cultural resources and fossils of significant scientific interest shall remain under the jurisdiction of the United States until ownership is determined under the applicable law.

Prior to any approval for surface occupancy or disturbance by the lessee, archaeological site 42 UN 143 shall be intensively tested by a qualified archaeologist.

The Little Brush Creek Petroglyph site, which has been entered on the National Register of Historic Places, shall be protected by the Lessee from vandalism and damage from actions on the lease.

6. The lessee shall, prior to entry upon the lease, conduct an intensive field inventory for threatened/endangered & sensitive plant and/or animal species, bald or golden eagles, or migratory species of high Federal interest on those areas to be disturbed and/or impacted including the access routes to the lease area. The inventory shall be conducted by a qualified specialist(s) approved by the AO and a report of the inventory and recommendation for the protection of these species submitted to and approved by the AO. An acceptable report of any findings shall include the specific location, distribution, and habitat requirements of the species. The lessee shall protect these species within the lease area from any activities associated with operations conducted under the terms of the lease and shall undertake such protective measures as may be required by the AO.
7. The lessee shall monitor the chemical and biological quality of Little Brush Creek above and below the project area in order to detect significant changes in surface water quality caused by project activities.
8. The lessee shall maintain a buffer strip at least 200 feet wide on each side of a stream in their natural and undisturbed state unless otherwise authorized by the AO.
9. Tailings ponds and waste dumps shall be planned, located, designed, and constructed using the best engineering technology and methods available which will assure, to the maximum extent possible, the stability of the structure while incorporating environmental soundness and acceptability into the facilities so that ground and surface waters are not contaminated. Waste dumps and tailings ponds shall not be placed over known areas of ground water recharge or along stream channels whenever alternative sites are available.
10. The lessee shall provide specific measures in his mining plan for control of subsidence in areas where surface subsidence would (1) cause the creation of hazardous conditions, such as, potential escarpment failure and landslides, (2) cause damage to surface structures and improvements, or (3) damage or alter the flow of perennial streams. The AO shall approve such measures and may prescribe any additional measures to be employed such as mining methods, specify the amount of phosphate recovered, and determine any corrective measures considered necessary to assure that hazardous conditions are not created or damages do not occur.
11. Alteration or removal of the vegetative cover, specifically trees or shrubs, is to be accomplished to achieve the effect of natural occurring vegetative openings. Construction practices requiring the alteration or modification of the existing topography will be accomplished in such a manner that the modified landscape will be compatible with and graded into the adjoining land form as much as possible.

Permanent and semi-permanent surface structures shall be painted a color that blends or conforms to the natural background color of the surrounding area.

12. All support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after termination of use of such facilities unless an alternate schedule has been approved by the AO.
13. The lessee shall suppress and control fugitive dust on all haul roads, ore handling, transportation, storage facilities, and other operations conducted under the lease.
14. All hazardous areas, including but not limited to, mining areas, those areas used for materials processing and loading and movement of heavy trucks and equipment, and areas used for the containment of ore and waste materials, shall be adequately fenced, posted, or other protective measures installed to minimize hazards and prevent access to the general public, livestock, and wildlife.
15. All solid waste will be removed to an authorized dump site as specified in the approved plan. Sanitary facilities for all solid and liquid waste disposal will meet all State, Federal, and local codes and regulations. All access routes and areas of use will be kept clean of all solid waste. The lease surface shall be maintained at all times, consistent with the operation of the lease.
16. Existing surface improvements required for the surface uses of the lease area will need to be protected or maintained to provide for the post-mining continuance of the current land uses. Existing surface improvements located on Federal lands whose utility may be lost or damaged as a result of mining activities are to be replaced, restored, or compensated for at the discretion of the AO.
17. Topsoil, when present, shall be stripped in its entirety from the surface of those lands to be covered by dumps, tailings, surface facilities, and other areas of surface disturbance and stockpiled. Stockpiled topsoil shall be used as surfacing material prior to re-vegetation.
18. The lessee shall upon cessation of use of all or any part of the lease area and in accordance with an approved plan, stabilize and rehabilitate affected lands using the latest mined land reclamation methods and technology to a usable and productive condition consistent with pre-existing land uses in the area and compatible with existing, adjacent undisturbed areas. Exceptions to this requirement may be granted for specific sites where the AO determines that reclamation is not feasible or

practicable considering current reclamation technology at the time when use is terminated.

19. No surface use would be allowed within crucial deer and elk winter range during the December 1 to April 30 period. This would not apply to operation and maintenance of production facilities or if animals are not present.
20. No construction or surface disturbing activities would be allowed within .5 mile of an active golden eagle nest site during the February 1 to July 15 period.
21. No surface disturbing activities would be allowed within 1,000 feet of sage grouse strutting grounds. No surface activities are allowed within a 2-mile radius of strutting grounds during the March 1 to June 30 period.
22. No construction or surface disturbing activities would be allowed within 1 mile of an active peregrine falcon nest site during the February 1 to August 31 period.
23. The AO may conduct Native American Consultation based upon the significance of any discovery of cultural resources within the lease area. Additional operational conditions or stipulations may result.
24. The development of the lease may create a high level of change to the characteristic landscape (changes may dominate the view and be the major focus of viewer attention; however, every attempt should be made to minimize the impact of activities through careful location, minimal disturbance and, repeating the basic elements of form, line, color and texture found in the predominant natural features of the characteristic landscape).
25. The lessee shall reseed disturbed areas with a mixture of native plants, subject to approval by the AO.
26. **WASTE CERTIFICATION:** The Lessee must provide upon abandonment, transfer of operation, assignment of rights, sealing-off a mined area and prior to lease relinquishment, certification to the Lessor that, based upon a complete search of all the records for the lease and its associated mine operation(s), and upon Lessee's and the operator's knowledge of past mining operations associated with the lease, there have been no reportable quantities of hazardous substances per 40 CFR 302.4 or used oil [as per *Utah State Administrative Code R-315-15*], discharged, deposited, or released

within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or delivered to, the lease. Such disclosures will be in addition to any other disclosure required by law or agreement.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-0149939

READJUSTED PHOSPHATE LEASE

PART I. LEASE RIGHTS GRANTED.

Readjustment

This ☒ Lease ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

United States Steel Corporation
600 Grant Street, Room 2656
Pittsburgh, PA 15219-2800

hereinafter called lessee, is effective (date) September 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsomite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each 20 year period, unless otherwise provided by law.

readjusted

Sec. 1. This lease is ~~made~~ pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) formal now or hereafter, when ; and to the regulations and ~~existing~~ orders of the Secretary of the Interior in force ~~on the date this lease is made~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the phosphate deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 2 S., R. 23 E., SLM, UT
Sec. 7, NWNE, S2NE;
Sec. 8, NWNW, S2NW, S2;
Sec. 9, NWSW, S2SW, N2SE;
Sec. 17, E2, E2NW, SW;
Sec. 19, lots 3, 4, NENE, S2NE, N2SE, SWSE;
Sec. 20, N2, N2SW;
Sec. 21, N2.

Utah County

containing 2,376.10 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☒ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☒ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☐ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

See Attached

(b) MINIMUM ANNUAL PRODUCTION ROYALTY - (1) Lessee shall produce not less than _____ tons of _____ per year. If production is interrupted by strikes, the elements, or other causes not attributable to the lessor, Lessee may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated, except that at the request of the Lessee, made prior to expiration of the lease year, the authorized officer may, at the time the payment of a \$5,000 per acre fraction of the minimum royalty is made at production for any particular lease year, minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$ 8,000, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

**ROYALTY TERMS AND CONDITIONS
PHOSPHATE LEASES**

PRODUCTION ROYALTY: The royalty on production will be 5 percent of the quantity or gross value of the output of phosphate compounds and related products at the point of shipment to market.

PHOSPHATE LEASE

Sec. 2(b) Minimum Royalty: Annual minimum royalty of \$3 per acre or fraction of an acre is due in advance before January 1 of each year. Minerals Management Service will credit any lease rental payment against the minimum royalty payment amount due. Minerals Management Service will then credit your minimum royalty as specified to your production royalties for that year only. For example, if you pay \$1,000 in rental and you owe \$3,000 in minimum royalties, you will pay a total of \$3,000 for both. If during the lease year you accrue \$10,000 in production royalties, Minerals Management Service will credit \$3,000 against that amount, [43 CFR § 3504.25 (a)(b)].

**SPECIAL STIPULATIONS
READJUSTED PHOSPHATE LEASE
U-0149939**

1. "Authorized Officer" (AO) shall mean the State Director, Bureau of Land Management or his authorized representative.

These stipulations shall also be imposed upon the lessee's agents, employees, contractors, and subcontractors and their employees. The failure or refusal of such persons to comply with these stipulations shall be deemed to be the failure or refusal of the lessee. The lessee shall require his agents, contractors, and subcontractors to include these stipulations in all contracts and subcontracts which are entered into by any of them, together with a provision that the other contracting party and his agents, employees, contractors, and subcontractors, and the employees of each of them, shall likewise be bound to comply with these stipulations.

These stipulations are based on the law existing as of the date of execution. They may be revised or amended, in writing, by the mutual consent of the AO and the lessee at any time to correct a mistake of either party. The lessor may amend these stipulations upon notifying the lessee in order to make these stipulations consistent with any new Federal or State statutes and with regulations issued under those statutes.

2. The lessee will be responsible to comply with all applicable Federal, State, and local laws and regulations.
3. This lease is subject to the provisions of the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), and the Clean Air Act (42 U.S.C. § 7401 et seq.). All lease operations shall be conducted so as to comply with these acts and any State of Utah water pollution control and air quality requirements.
4. Prior to commencement of any lease operations, the lessee will file with the authorized officer a detailed mining and exploration plan that includes a schedule for the exploration, development, production, and reclamation operations to be conducted on the lease(s). The plan is to include the specific procedures and methods to be employed for minimizing air and water pollution and erosion. The plan must also provide for the protection of other resources during operations, the logical and economic development of the mineral reserve as dictated by prudent mining practices and timely reclamation of disturbed lands caused by any operations conducted under the plan. Lease operations may not commence without an approved mining and exploration plan. Approval of the plan is the responsibility of the authorized officer.

Any proposed additions or modifications to an approved plan submitted by the lessee will be subject to additional stipulations, conditions of approval, modifications or rejection as deemed necessary by the AO to protect the resources and environment.

5. Before undertaking any activities that may disturb the surface of the lease lands, the lessee will be required to conduct a cultural and/or paleontological resource field inventory in a manner specified by the AO on portions of the mine plan area and adjacent areas, or exploration plan area, that may be adversely affected by lease related activities and which were not previously inventoried at such a level of intensity. The inventory shall be conducted by a qualified professional cultural resource specialist and/or paleontologist, as appropriate, approved by the AO. A report of the inventory and recommendations for protecting any cultural and paleontological resources identified shall be submitted to the AO. The lessee shall undertake measures, in accordance with instructions from the AO to protect these resources on the leased lands. The lessee shall not commence the surface disturbing activities until permission to proceed is given by the AO.

The lessee shall protect all cultural and paleontological resource properties within the lease area from lease related activities until mitigation measures can be implemented as part of an approved mining and reclamation plan or exploration plan.

The cost of conducting the inventories, preparing reports, and carrying out mitigation measures shall be borne by the lessee.

If cultural or paleontological resources are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the AO. The lessee shall not disturb such resources except as may be subsequently authorized by the AO. Within two working days of notification, the AO will evaluate or have evaluated any cultural and/or paleontological resources discovered and will determine if any action may be required to protect or preserve such discoveries.

All cultural resources and fossils of significant scientific interest shall remain under the jurisdiction of the United States until ownership is determined under the applicable law.

Prior to any approval for surface occupancy or disturbance by the lessee, archaeological site 42 UN 143 shall be intensively tested by a qualified archaeologist.

The Little Brush Creek Petroglyph site, which has been entered on the National Register of Historic Places, shall be protected by the Lessee from vandalism and damage from actions on the lease.

6. The lessee shall, prior to entry upon the lease, conduct an intensive field inventory for threatened/endangered & sensitive plant and/or animal species, bald or golden eagles, or migratory species of high Federal interest on those areas to be disturbed and/or impacted including the access routes to the lease area. The inventory shall be conducted by a qualified specialist(s) approved by the AO and a report of the inventory and recommendation for the protection of these species submitted to and approved by the AO. An acceptable report of any findings shall include the specific location, distribution, and habitat requirements of the species. The lessee shall protect these species within the lease area from any activities associated with operations conducted under the terms of the lease and shall undertake such protective measures as may be required by the AO.
7. The lessee shall monitor the chemical and biological quality of Little Brush Creek above and below the project area in order to detect significant changes in surface water quality caused by project activities.
8. The lessee shall maintain a buffer strip at least 200 feet wide on each side of a stream in their natural and undisturbed state unless otherwise authorized by the AO.
9. Tailings ponds and waste dumps shall be planned, located, designed, and constructed using the best engineering technology and methods available which will assure, to the maximum extent possible, the stability of the structure while incorporating environmental soundness and acceptability into the facilities so that ground and surface waters are not contaminated. Waste dumps and tailings ponds shall not be placed over known areas of ground water recharge or along stream channels whenever alternative sites are available.
10. The lessee shall provide specific measures in his mining plan for control of subsidence in areas where surface subsidence would (1) cause the creation of hazardous conditions, such as, potential escarpment failure and landslides, (2) cause damage to surface structures and improvements, or (3) damage or alter the flow of perennial streams. The AO shall approve such measures and may prescribe any additional measures to be employed such as mining methods, specify the amount of phosphate recovered, and determine any corrective measures considered necessary to assure that hazardous conditions are not created or damages do not occur.
11. Alteration or removal of the vegetative cover, specifically trees or shrubs, is to be accomplished to achieve the effect of natural occurring vegetative openings. Construction practices requiring the alteration or modification of the existing topography will be accomplished in such a manner that the modified landscape will be compatible with and graded into the adjoining land form as much as possible.

Permanent and semi-permanent surface structures shall be painted a color that blends or conforms to the natural background color of the surrounding area.

12. All support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after termination of use of such facilities unless an alternate schedule has been approved by the AO.
13. The lessee shall suppress and control fugitive dust on all haul roads, ore handling, transportation, storage facilities, and other operations conducted under the lease.
14. All hazardous areas, including but not limited to, mining areas, those areas used for materials processing and loading and movement of heavy trucks and equipment, and areas used for the containment of ore and waste materials, shall be adequately fenced, posted, or other protective measures installed to minimize hazards and prevent access to the general public, livestock, and wildlife.
15. All solid waste will be removed to an authorized dump site as specified in the approved plan. Sanitary facilities for all solid and liquid waste disposal will meet all State, Federal, and local codes and regulations. All access routes and areas of use will be kept clean of all solid waste. The lease surface shall be maintained at all times, consistent with the operation of the lease.
16. Existing surface improvements required for the surface uses of the lease area will need to be protected or maintained to provide for the post-mining continuance of the current land uses. Existing surface improvements located on Federal lands whose utility may be lost or damaged as a result of mining activities are to be replaced, restored, or compensated for at the discretion of the AO.
17. Topsoil, when present, shall be stripped in its entirety from the surface of those lands to be covered by dumps, tailings, surface facilities, and other areas of surface disturbance and stockpiled. Stockpiled topsoil shall be used as surfacing material prior to re-vegetation.
18. The lessee shall upon cessation of use of all or any part of the lease area and in accordance with an approved plan, stabilize and rehabilitate affected lands using the latest mined land reclamation methods and technology to a usable and productive condition consistent with pre-existing land uses in the area and compatible with existing, adjacent undisturbed areas. Exceptions to this requirement may be granted for specific sites where the AO determines that reclamation is not feasible or

practicable considering current reclamation technology at the time when use is terminated.

19. No surface use would be allowed within crucial deer and elk winter range during the December 1 to April 30 period. This would not apply to operation and maintenance of production facilities or if animals are not present.
20. No construction or surface disturbing activities would be allowed within .5 mile of an active golden eagle nest site during the February 1 to July 15 period.
21. No surface disturbing activities would be allowed within 1,000 feet of sage grouse strutting grounds. No surface activities are allowed within a 2-mile radius of strutting grounds during the March 1 to June 30 period.
22. No construction or surface disturbing activities would be allowed within 1 mile of an active peregrine falcon nest site during the February 1 to August 31 period.
23. The AO may conduct Native American Consultation based upon the significance of any discovery of cultural resources within the lease area. Additional operational conditions or stipulations may result.
24. The development of the lease may create a high level of change to the characteristic landscape (changes may dominate the view and be the major focus of viewer attention; however, every attempt should be made to minimize the impact of activities through careful location, minimal disturbance and, repeating the basic elements of form, line, color and texture found in the predominant natural features of the characteristic landscape).
25. The lessee shall reseed disturbed areas with a mixture of native plants, subject to approval by the AO.
26. **WASTE CERTIFICATION:** The Lessee must provide upon abandonment, transfer of operation, assignment of rights, sealing-off a mined area and prior to lease relinquishment, certification to the Lessor that, based upon a complete search of all the records for the lease and its associated mine operation(s), and upon Lessee's and the operator's knowledge of past mining operations associated with the lease, there have been no reportable quantities of hazardous substances per 40 CFR 302.4 or used oil [as per *Utah State Administrative Code R-315-15*], discharged, deposited, or released

within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or delivered to, the lease. Such disclosures will be in addition to any other disclosure required by law or agreement.